

DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Consent under section 72(3c) of the Enterprise Act 2002 (the Act) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 10 August 2026

Completed acquisition by NRG Fleet Services Limited of Specialist Fleet Services Limited

We refer to your submissions dated 18 August 2026, as supplemented by a submission on 6 September 2026, requesting that the CMA consents to derogations from the Initial Enforcement Order of 10 August 2026 (the '**Initial Order**'). Unless otherwise stated, the terms defined in the Initial Order have the same meaning in this letter. NRG and SFS, together, are referred to henceforth as the '**Parties**'.

Under the Initial Order, save for written consent by the CMA, the Acquirer Group is required to hold separate the SFS business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, the Parties may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(a), 4(c), 5(a) and 5(l) of the Initial Order – provision of working capital

The CMA understands that, to ensure SFS has sufficient funds for its general working capital requirements and capital expenditure, it will require NRG to make the necessary funds available. The CMA further understands that, to provide such funding to SFS, NRG will require access to certain SFS confidential information as is strictly necessary to provide the working capital (the '**Working Capital Information**').

The Parties therefore request a derogation from paragraphs 4(a), 4(c), 5(a) and 5(l) of the Initial Order to permit NRG to provide such working capital to SFS. The CMA consents to the derogation strictly on the basis that:

- a) NRG will ensure that it makes working capital available to SFS in line with SFS's business plan and/or forecasts (to the extent that these exist or alternatively in accordance with SFS's past practice);
- b) funding will be made available by NRG to SFS on arm's length terms;
- c) insofar as NRG provides SFS with working capital via inter-company loans, the loan conditions will not include anything that limits SFS's ability to compete and/or take business decisions independently of NRG. Interest on such loans will be charged based on average expected market rates for hire-purchase or finance lease asset financing in the marketplace;
- d) the Working Capital Information will be limited to what is strictly necessary for NRG to provide such funding as described above, and NRG will not use the Working Capital Information for any other purpose;
- e) the Working Capital Information will only be provided to the NRG Authorised Individual(s) listed in Annex 2 for whom it is strictly necessary to see SFS information to ensure that the necessary funding is required, and to verify the validity of such requests by reference to its pre-merger business plans, forecasts or past practice.
- f) no changes to the NRG Authorised Individuals are permitted without the prior written consent of the CMA (including via email);
- g) the NRG Authorised Individuals shall enter into non-disclosure agreements ('NDA') in a form approved by the CMA;
- h) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within NRG from accessing the Working Capital Information shared with the NRG Authorised Individual for the purposes of this derogation;
- i) should the Transaction be prohibited or NRG be required to divest all, or part of, the SFS business, NRG will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from SFS for the purposes of this derogation will be returned to SFS and any copies destroyed, except to the extent that record retention is required by law or regulation; and
- j) this derogation will not give rise to a risk of pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

2. Paragraphs 5(a), 5(g), 5(h) and 5(l) of the Initial Order – provision of parent company financial backing

The CMA understands that standard industry procurement processes in the relevant market require tenders to be supported by parent company guarantees or performance bonds to guarantee contractual performance and secure customer financing (the '**financial backing**'). If such financial backing was not available, then this may exclude SFS from future tender opportunities whilst the Initial Order is in force.

The CMA further understands that, to provide the financial backing, NRG will require access to certain SFS confidential information as is strictly necessary to provide the financial backing (the '**Customer Information**').

The Parties therefore request derogation from paragraphs 5(a), 5(g), 5(h) and 5(l) of the Initial Order is required: (i) to permit NRG to provide SFS with the financial backing required upon SFS winning a new customer contract; and (ii) for SFS to provide NRG with the Customer Information such that NRG can issue the financial backing. The CMA consents to the derogation strictly on the basis that:

- a) The Customer Information will be limited to what is strictly necessary for NRG to arrange for and enter into the financial backing arrangements in respect of SFS's current and future customer contracts, and the Customer Information will not be used for any other purpose.
- b) The Customer Information will not contain annual (or total) contract values, unless (a) strictly necessary and (b) they relate to contracts which SFS has already won.
- c) The Customer Information will only be provided to the NRG Authorised Individual(s) for whom it is strictly necessary to see SFS information to arrange for and enter into the financial backing arrangements.
- d) None of the NRG Authorised Individual(s) are involved in any activities related to bidding for customer contracts.
- e) No changes to the NRG Authorised Individuals are permitted without the prior written consent of the CMA (including via email).
- f) The NRG Authorised Individual(s) shall enter into NDAs in a form approved by the CMA.
- g) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within NRG from accessing the Customer Information shared with the NRG Authorised Individual for the purposes of this derogation.

- h) Should the Transaction be prohibited or NRG be required to divest all, or part of, the SFS business, NRG will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from SFS for the purposes of this derogation will be returned to SFS and any copies destroyed, except to the extent that record retention is required by law or regulation.
- i) this derogation will not give rise to a risk of pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

3. Paragraphs 4(a), 4(b), 5(a) and 5(e) of the Initial Order – accession to NRG's borrowing arrangements and matters related to debt financing workstreams

The CMA understands that [X], an indirect parent company of NRG, has a debt facility with a [X] (the '**Facility**'). There are also [X] (the '**Notes**'). NRG is an [X] under the [X] documentation which governs the Facility and the Notes, (the '**Finance Documents**'). The CMA understands the Finance Documents mandate that, other than in limited cases, SFS is added as a party to such agreements. This is necessary to ensure NRG (and indirectly SFS) maintains access to its primary source of funding and remains compliant with its lender covenants.

The CMA further understands that the provision of confidential information (the '**Debt Financing Information**') between the Parties will be strictly necessary for: (A) the purposes of SFS's review of the Finance Documents, and where SFS elects to accede to the Finance Documents: (i) the granting of a guarantee in respect of the liabilities under the Finance Documents; (ii) the granting of security by SFS; and (B) regardless of whether the accession of SFS to the Finance Documents takes place, the provision of information relating to ongoing reporting requirements, monitoring compliance with undertakings, contractual obligations and representations in respect of the Finance Documents (together, the '**Debt Financing Workstreams**').

The Parties therefore request a derogation from paragraphs 4(a), 4(b), 5(a) and 5(e) of the Initial Order to permit SFS's accession to the Finance Documents and to permit the Debt Financing Workstreams. The CMA consents to the derogation strictly on the basis that:

- a) where SFS accedes to the Finance Documents, on or before such accession takes place, the Security Agent shall provide an express acknowledgement to (i) pre-agree the release of any guarantee and security granted by SFS and of any security over

the shares in (and any intra-group loans to) SFS, in each case to comply with any remedial action necessary or required to bring the CMA process to an end expeditiously; and (ii) confirm that the Security Agent will not exercise its rights against SFS or under the security relating to SFS, until the CMA decision has been received and, if applicable, any remedial action has been complied with, or otherwise, unless such exercise of rights by the Security Agent has been approved by the CMA;

- b) the Debt Financing Workstreams will not restrict the ability of the Addressees to divest all, or a portion of, the relevant NRG business or SFS business to the extent this is necessary either (i) as part of a voluntary offer by way of undertakings in lieu of reference to a Phase 2 investigation pursuant to section 73 of the Act or (ii) in order to comply with any order made by the CMA at Phase 2 under sections 41 and 84 of the Act to remedy any competition concerns identified by the CMA;
- c) it is strictly necessary to request the CMA's approval for SFS's accession to the Finance Documents, in order for [X] NRG to remain compliant with the lender covenants in the Finance Documents;
- d) the Debt Financing Workstreams will not impede or in any way interfere with the strategic, commercial, or operational decision-making ability of the SFS business;
- e) the Debt Financing Information will be limited to what is strictly necessary for the completion of the Debt Financing Workstreams, and the Debt Financing Information will not be used for any other purpose;
- f) the Debt Financing Information will only be provided to the SFS or NRG Authorised Individual for whom it is strictly necessary to see it in order to carry out the Debt Financing Workstreams;
- g) no changes to the SFS or NRG Authorised Individuals are permitted without the prior written consent of the CMA (including via email);
- h) the NRG Authorised Individual(s) shall enter into NDAs in a form approved by the CMA;
- i) the SFS Authorised Individual(s) shall enter into NDAs in a form approved by the CMA;
- j) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within SFS or NRG from accessing the Debt Financing Information shared with the SFS or NRG Authorised Individual for the purposes of this derogation;

- k) should the Transaction be prohibited or NRG be required to divest all, or part of, the SFS business, SFS will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from NRG or SFS for the purposes of this derogation will be returned to NRG or SFS (as applicable) and any copies destroyed, except to the extent that record retention is required by law or regulation;
- l) this derogation will not give rise to a risk of pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference; and
- m) this derogation will not result in any integration between the Acquirer Group and SFS.

4. Paragraphs 5(a) and 5(l) of the Initial Order – Sharing of strictly necessary information in relation to finance matters

The CMA understands that the provision of certain confidential information by SFS to NRG will be strictly necessary for the purposes of complying with NRG's statutory or regulatory obligations (the '**Financial Reporting Information**'). This includes information strictly necessary for NRG to carry out the following limited workstreams: (i) to prepare its and or its parent company's consolidated group accounts as required under UK accounting requirements (UK GAAP); (ii) to provide such guidance to SFS to prepare their figures in accordance with UK GAAP principles; (iii) to complete its statutory audit; (iv) to calculate its group tax loss relief; and (v) to respond to queries mandated by the Office for National Statistics (the '**Financial Reporting Workstreams**').

The Parties therefore request a derogation from paragraphs 5(a) and 5(l) of the Initial Order to allow disclosure of the Financial Reporting Information to the NRG Authorised Individuals as is strictly necessary for NRG to carry out the Financial Reporting Workstreams.

The CMA consents to the derogation strictly on the basis that:

- a) the Financial Reporting Information will be limited to what is strictly necessary for NRG or its parent companies to complete the Financial Reporting Workstreams and will not be used for any other purpose;
- b) the Financial Reporting Information will only be provided to the NRG Authorised Individual(s) for whom it is strictly necessary to see such information to complete the Financial Reporting Workstreams;
- c) no changes to the NRG Authorised Individuals are permitted without the prior written consent of the CMA (including via email);

- d) the NRG Authorised Individual(s) shall enter into an NDA in a form approved by the CMA;
- e) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within NRG from accessing the Customer Information shared with the NRG Authorised Individual for the purposes of this derogation;
- f) should the Transaction be prohibited or NRG be required to divest all, or part of, the SFS business, NRG will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from SFS for the purposes of this derogation will be returned to SFS and any copies destroyed, except to the extent that record retention is required by law or regulation; and
- g) this derogation will not give rise to a risk of pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

Yours sincerely,

Matteo Alchini
Assistant Director, Mergers
Competition and Markets Authority
18 September 2026

ANNEX 1

Penalties for the provision of false or misleading information

a) Imposition of civil penalties

- 1) Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that:
 - a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;
 - b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under Part 3 of the Act.
- 2) Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

a) Amount of penalty

- 3) Under section 111(1) of the Act, a penalty imposed under section 110(1A) of the Act shall be of such amount as the CMA considers appropriate.
- 4) A penalty imposed under section 110(1A) of the Act on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.
- 5) Under section 111(4A) of the Act a penalty imposed under section 110(1A) of the Act on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.
- 6) In deciding whether and, if so, how to proceed under section 110(1A) of the Act, the CMA must have regard to the statement of policy which was most recently published under section 116 of the Act at the time when the act or omission occurred.

ANNEX 2

NRG Authorised Individuals by Financing Workstream

Name	Title/Employer	Financing Workstream
[X]	[X]	[X]
[X]	[X]	[X]

SFS Authorised Individuals by Financing Workstream

Name	Title/Employer	Financing Workstream
[X]	[X]	[X]
[X]	[X]	[X]